



SECOND ANNUAL
DOD ACQUISITION INSIGHT DAYS
20-22 APRIL 2009 • DAYTON, OHIO



“Acquisition Lessons Learned” Town Hall

Mr. Gary Bliss, SES, Deputy Director, Office of the Secretary of Defense Studies and Federally Funded Research and Development Centers, Office of the Secretary of Defense

Ms. Debra Walker, SES, Deputy Asst Secretary of the Air Force for Logistics

Mr. Grover Dunn, SES, Director of Transformation, Deputy Chief of Staff for Logistics, Installations & Mission Support

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Worst: Army's Advanced Reconnaissance Helicopter (ARH)

- ▶ Nunn-McCurdy breach on cost and schedule . . . I could go on . . .
- ▶ Conceived as a rapidly implementing adaptation of commercial-off-the-shelf technology embodied in the existing OH-58
- ▶ Three crucial lessons:
 - ***Know your dance partner:*** Army failed to carefully assess where Bell was an enterprise and what it could be expected to do
 - ***Shape expectations after careful, and objective, review of history:*** There is a fairly rich history of helo modification programs; none have achieved anything like the schedule that ARH assumed
 - ***Don't create program predicated on an assumption that you aren't prepared to enforce:*** Army permitted its organization to impose a host of requirements that invalidated the COTS characteristics of the configuration



Best: Army's Aerial Common Sensor (ACS)

- ▶ PM concluded, less than a year after milestone B, that contractor and technical approach were not capable of achieving goals
 - ***He recommended program cancellation, which was done***
- ▶ There were several problems, but the selection of the air platform was the most critical
 - Weight of wave-guides and wiring not included in payload estimates
 - Choices on the table were un-attractive: new platform or de-scope
 - Either was tantamount to starting over . . . So why not?
- ▶ PM was in a fairly common conundrum: Navy's ASDS and EFV programs are two more current programs with this feature
- ▶ Starting over has two big advantages: ***sends a signal*** to industry; and ***establishes a new brand name*** with Congress



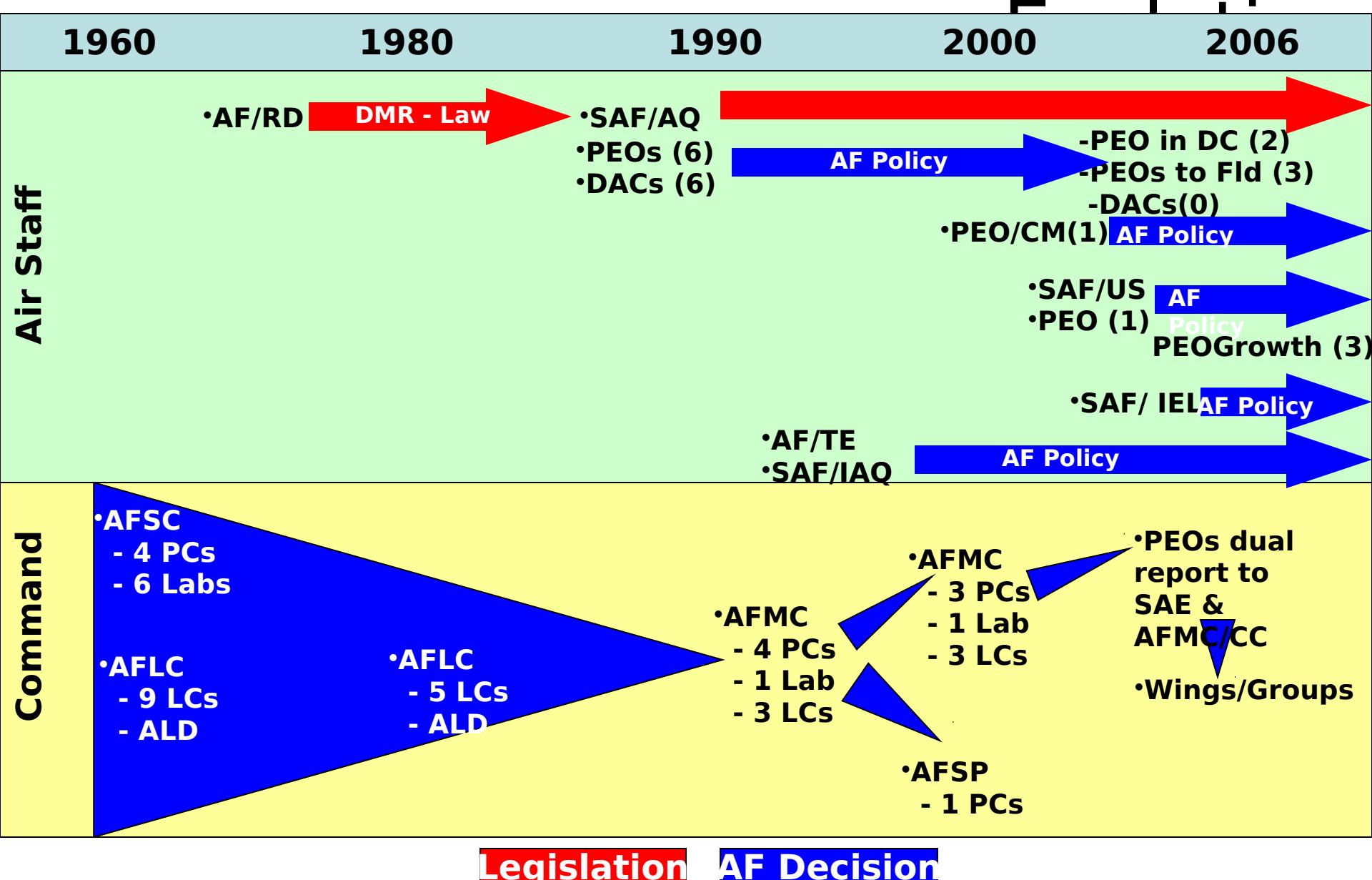
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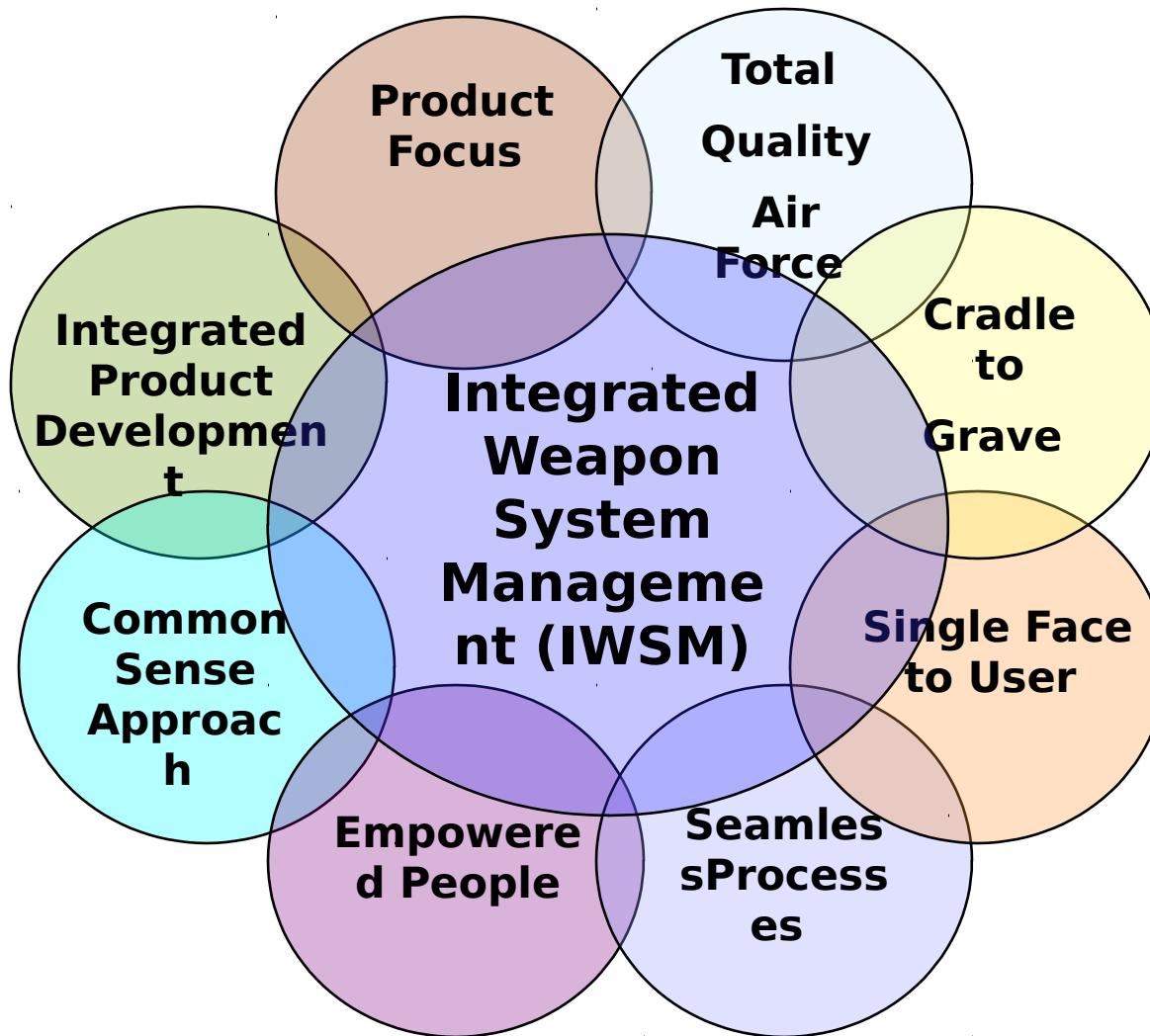
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Background—Organizational



IWSM



IWSM Principles

- Increase System Program Director (SPD's) Authority/Single Business Decision Authority
- Create Integrated Product Teams
- Maintain Mgmt Continuity
- Build New Partnerships
- Consolidate AF Acquisition

Lessons Learned

- Strong cultural differences between acquisition and sustainment
 - Reorg does not fix it!!
- Chain of Command
 - ALC Commander vs Product Center vs PEO
- Accountability/Authority not Aligned
- Platform Centric Approach – Lack of System Commonality
 - Avionics, Support Equipment, etc
- Lack of Sustainment Expertise at Product Centers
 - Results in more Sustainment Outsourcing
 - Sustainment took “Backseat”
- Breadth of PEO Responsibility
 - Sustainment Overwhelming
- Personnel Assignment Process
 - SAE made assignments vs Commander
 - “Rice Bowls”



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Headquarters U.S. Air Force

Integrity - Service - Excellence

DoD Acquisition Insight Days Lessons Learned



**Mr. Grover L. Dunn, SES
HQ USAF/A4**

U.S. AIR FORCE

April 21, 2009



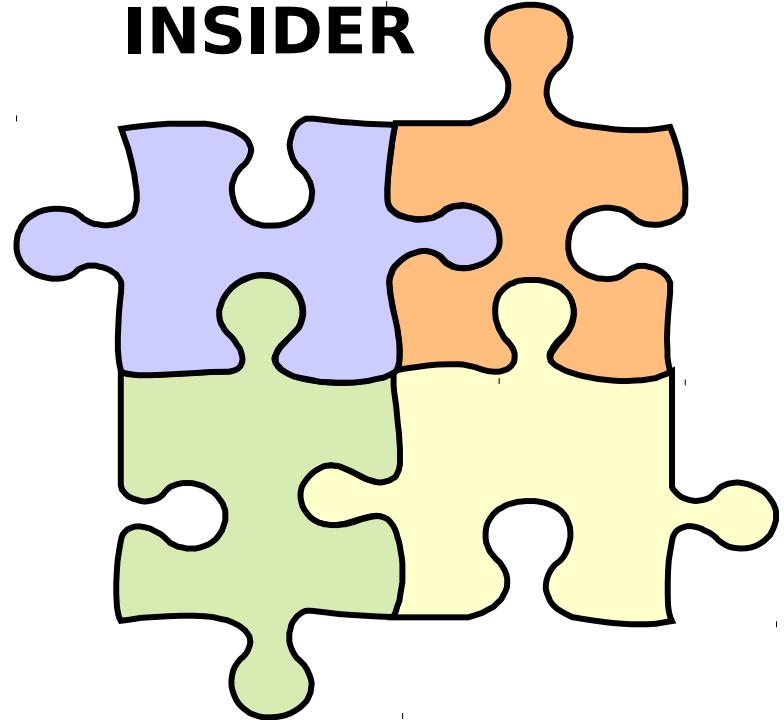
TWO VIEWS

OUTSIDER



**IT TAKES TOO
LONG AND
COSTS TOO
MUCH**

INSIDER



**IT'S A MIRACLE
ANYTHING EVER
GETS DELIVERED**

What Hasn't Changed

- Customer Demand - the pressure to deliver
- Customer Behaviors - Insatiable requirements
- Pressure to “do it right” - even if we can’t define “right”
- Organizations divisions - Within/Without AFMC
- Vertical Stovepipes
- Washington focus
- Uncertainty
- Process complexity



What Has Changed

BAD

- Eliminated AQ Log Guidance
- Demise of AFALC
- Career Field Changes
- Performance Rqmts
- Process Complexity
- Direct ACTD Fielding
- LCC Costing
- AFSC/AFLC Merger

GOOD

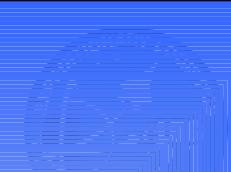
- Training and Skills
- Eliminated PMRT
- PEO Streamlining
- Innovation/Rewarding Risk
- Policy Integration
- New Tools - Acq/Sus TK, LHA, ILA

**The More They Change - The More They Stay
The Same**



Some Thoughts

- **Avoid the Flavor of the Month**
 - **Concentrate on the basics**
- **It's all about Process**
 - **Customer value is the Measuring Stick**
- **Focus on Delivery not Washington**
 - **Time is Money**
- **Uncertainty is inevitable - control/stability illusionary**
 - **Ride the bull - Manage your risks**
- **Experimentation good**
 - **Failures are learning experiences**
- **Credibility and consistency are important**
 - **Know when to say NO**
- **Changing Culture is really hard**
 - **Hour of crisis comes change**



America's Air Force . . . No One Comes Close



U. S. AIR FORCE